



# OSD Briefing to the Senate Armed Services Committee Staff

**Section 921 (b) of the FY 2000 National Defense  
Authorization Act (PL 106-65)**

10 December 1999

*Objections to the 15% reduction in MHA  
personnel and OSD/WHHS ceiling*



# All Headquarters Not Alike

- A very small part of DoD (1.4%) (#1)
- At least seven different categories – responsibilities and functions of each differ widely (#2)
- Less than 25 % are the top-level departmental HQs normally characterized as Pentagon HQ Staffs (#3)



# Shared Characteristics

- Have been studied a number of times; e.g.:
  - Goldwater-Nichols Act Implementation
  - Defense Management Report/Reforms
  - Base Force Bottom-Up Review
  - Commission on Roles & Missions of the Armed Forces
  - Base Realignment and Closure Commission
  - Quadrennial Defense Review
  - Defense Reform Initiative



# Shared Characteristics

- Subject to intense scrutiny by Congress
  - Seem to believe Department has done nothing to reduce size, number, cost of MHAs, particularly OSD, WHS, and the Joint Staff
- Successive Authorization Acts have addressed this issue
  - Shifting ground rules on baseline and reductions
  - A specific ceiling (3,767) now placed on OSD/WHS



# Further Reductions Not Necessary

- 29% reduction in the past years – 35% by FY 02 which is proportionate to overall force draw down
- Differences accommodated in FY '89 - '99 reductions
- FY 00 Authorization Act takes away this flexibility
  - Additional 15% cut is too deep
  - OSD/WHS ceiling too restrictive



# Further Cuts Not Necessary

- Substantially reorganized/have not remained stagnant
  - OSD DRI divestures and internal realignments
  - Defense Agency functional consolidations – e.g. DFAS, DeCA, DTRA, DCMA/DLA
  - Military Departments restructuring – e.g. 1991 AF eliminated 4 Major Commands and 21 Air Divisions
- Continuing streamlining and management improvement efforts through the DRI
  - A systematic detailed look at functions, programs, processes, structures, and resources
  - More reasoned approach & less disruptive to ongoing operations than large force reductions



# Further Reductions Potentially Harmful

- HQ functions/responsibilities/workload do not decrease commensurate with force reductions
  - Basic functions still need to be done – e.g. acquisition
  - New requirements continue to emerge – e.g. humanitarian assistance, de-mining, information warfare, FSU, and regional instabilities, WMD consequence management, counter-terrorism, counter-drug



# Further Reductions Potentially Harmful

- Management initiatives generally driven by the leadership, with support from their HQ staffs – e.g. , DRI is an intensive, time consuming effort now in its third year
- Would deter further functional consolidations in Defense Agencies/DoD Field Activities – e.g. consolidated management of CONUS leased real property in WHS
- Would increase already heavy workloads of remaining staff, perhaps beyond the breaking point, and likely to require RIFs





# Further Reductions Potentially Harmful

- Ceiling makes it impossible for the SECDEF to target selected areas for limited growth when necessary – a serious infringement on his management authority and could impair the capability of the OSD staff to support the Administration in areas of emerging concern or in a crisis situation
- Continuing manpower reductions are beginning to have an adverse impact on employee morale and work quality in OSD – according to findings of a recent focus group study



# Further Reductions Potentially Harmful

- Ceiling prevents WHS from effecting management and security improvements, e.g.:
  - Consolidation of CONUS leased property management
  - Consolidation or personnel servicing for 16,000 employees in DeCA and DoD IG
  - Strengthening Defense Protective Service capability to respond to heightened threat levels
  - Clearing accumulated backlog of personnel security clearance adjudication cases



# Combined OSD/WHS Ceiling Inappropriate

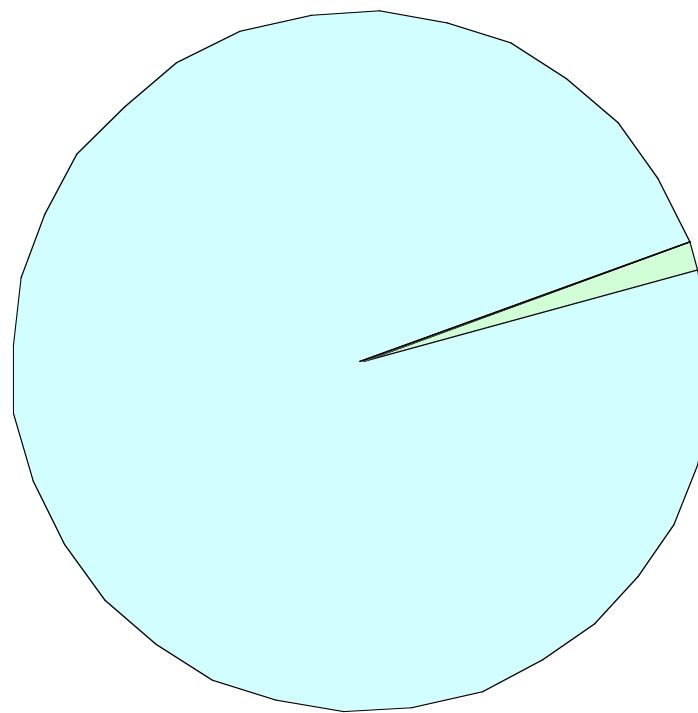
- WHS is not an extension of OSD
- Most of its support goes to other DoD components, e.g.:
  - Only 24% of WHS staff engage in MHA functions (#5)
  - 79% of personnel supported are in other DoD components (#6)
- Many responsibilities are DoD-wide, e.g., FVA, Privacy, FOIA



# DoD MHA Personnel as Percentage of Total DoD

**FY 99 Budgeted FTEs**

|       |        |        |
|-------|--------|--------|
| *OSD  | 1,916  | .06%   |
| JS    | 1,313  | .04%   |
| WHS   | 405    | .012%  |
| Other | 43,829 | 1.30%  |
| Total | 47,553 | 1.412% |

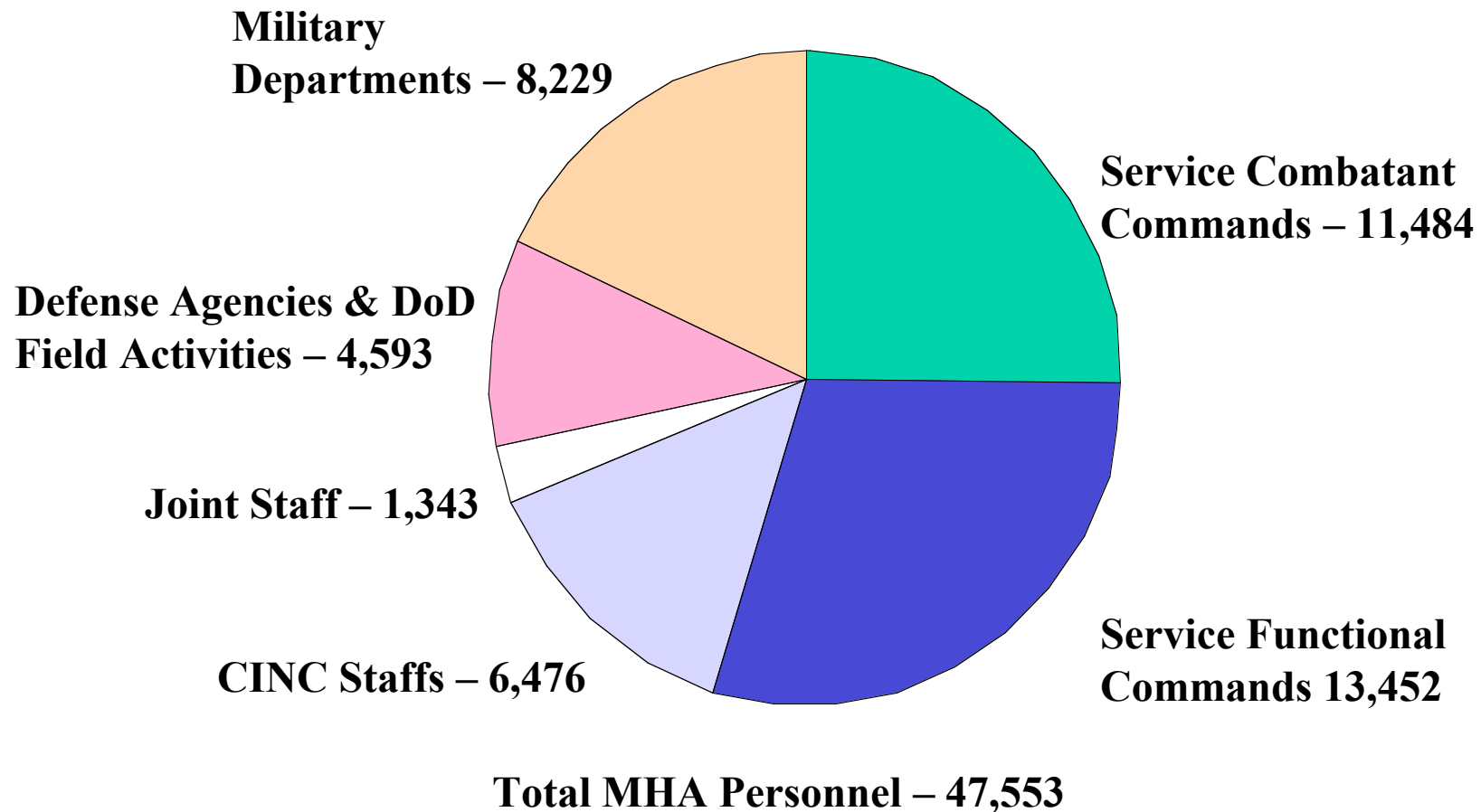


**\* Total MHA  
47,553 -  
(1.412%)**

**DoD Total 3,300,000**

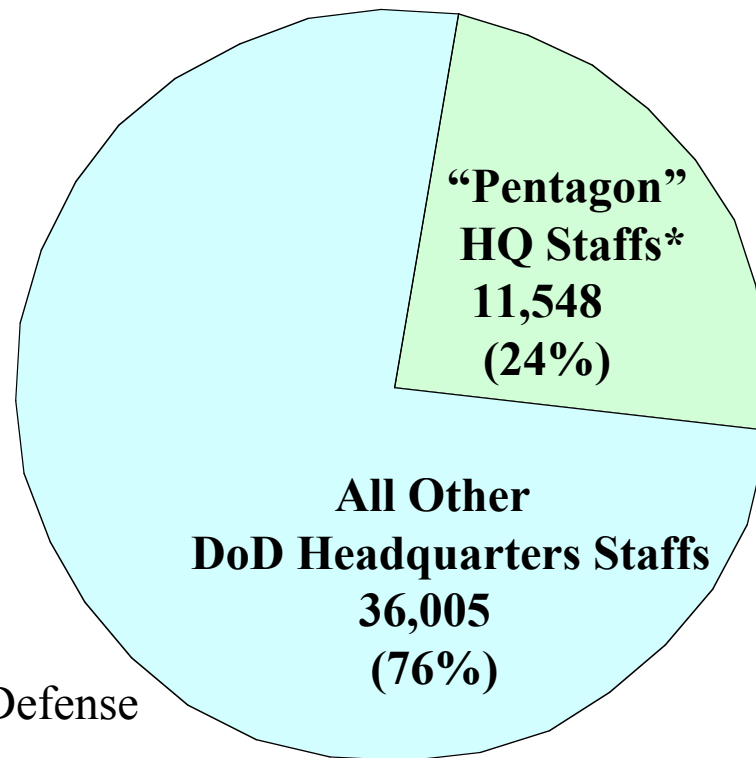


# DoD Headquarters Staffs (FY 99 Budgeted FTEs)





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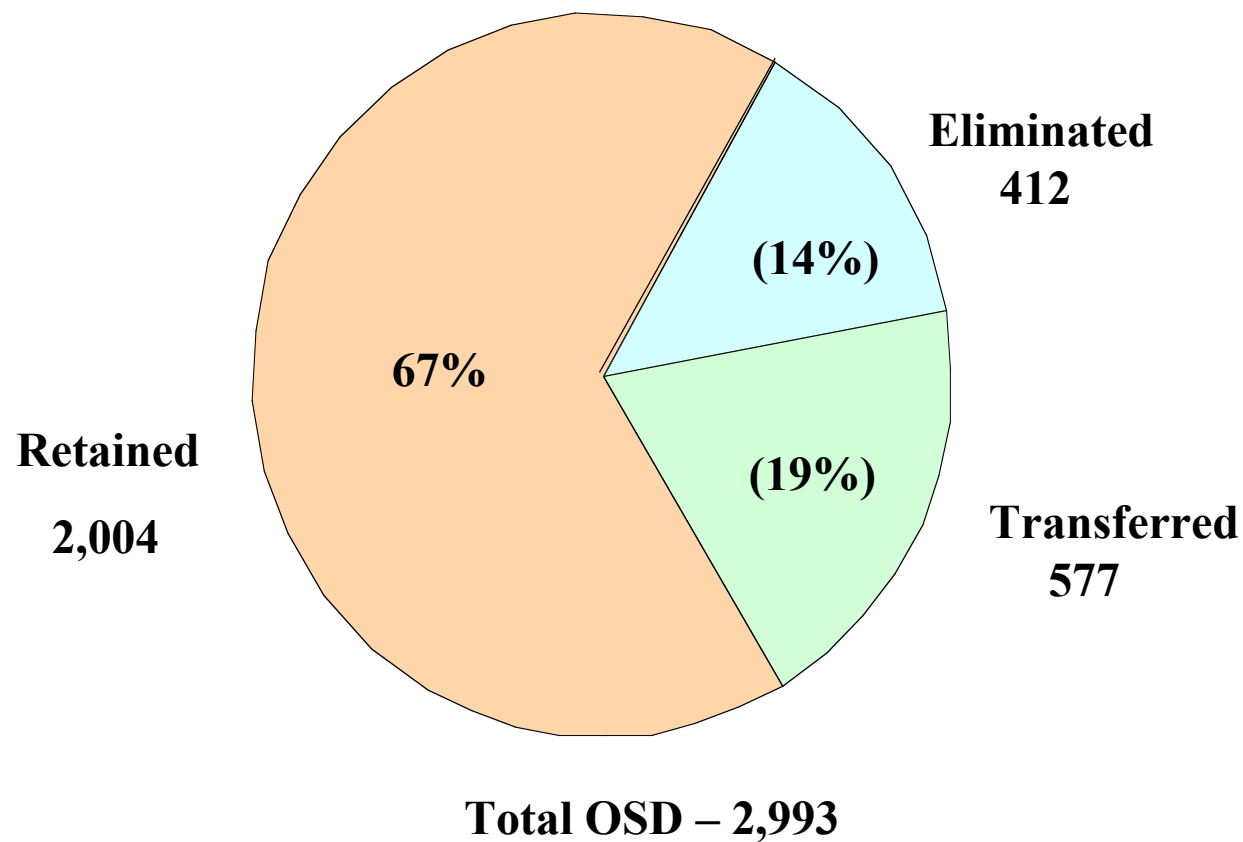


\*Office of the Secretary of Defense  
The Joint Staff  
Military Department Secretariats  
Military Service Staffs

**Total MHA - 47,553**



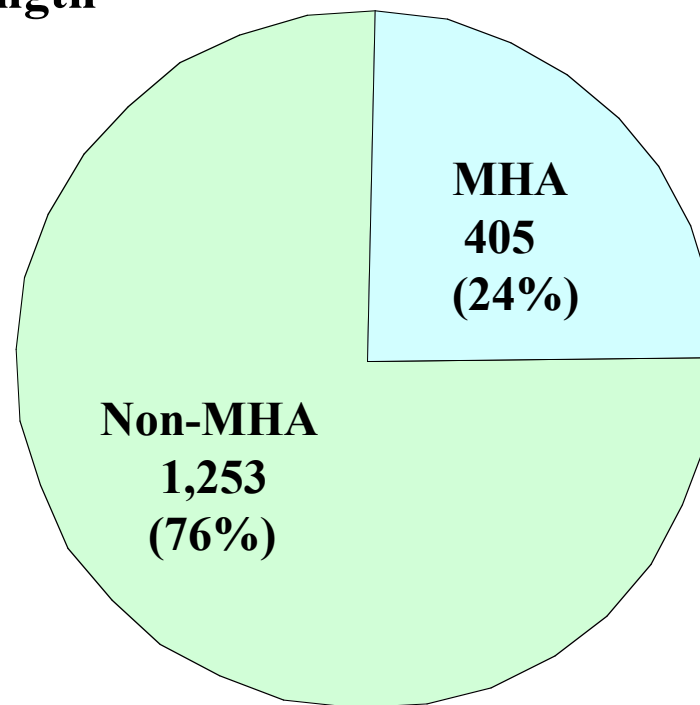
# OSD DRI Reduction (FY 00 Authorized Strength)





# Washington Headquarters Services Major Headquarters Activity (MHA) Staff

**FY 99 Authorized Strength**



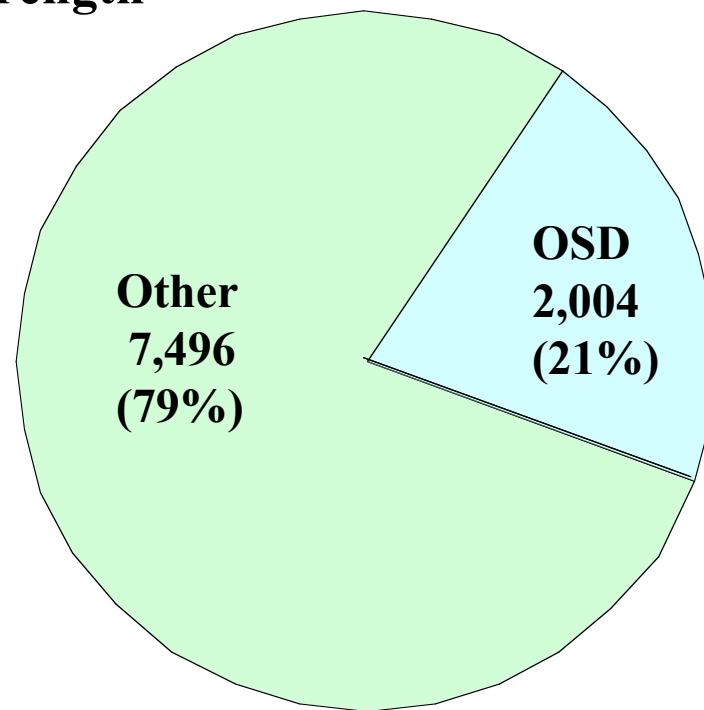
**Total 1,658**





# Civilian and Military Personnel Support Received from WHS

**FY 00 Authorized Strength**



**Total personnel supported – 9,500**